



LONGMONT POWER & COMMUNICATIONS

# REPORT TO THE COMMUNITY 2014



nextLight™  
LONGMONT'S BROADBAND

# A Glowing History—A New Beginning

Sometimes light strikes twice.

In 2014, more than a century after Longmont started its own electric utility, Longmont Power & Communications (LPC) started something special again. In October, we introduced the community to NextLight™, our 100% fiber-optic Internet service.

NextLight came from nearly 20 years of foresight, planning, struggle, and diligence. It exists, in no small part, because of the support of the Longmont community, which voted to move ahead in 2011, to finance it in 2013, and then rushed to sign up in 2014.

We're grateful for that. We've always strived to be a community partner, one that helps add to the city's value and quality of life by providing reliable electrical service at some of the lowest costs in the nation. Now we bring that same partnership perspective to our new broadband service, making NextLight available to power the lives of Longmont's residents and businesses, just as we've powered your homes and workplaces.

2014 was also the year we began installing inexpensive charging stations for electric vehicles. It was a year that saw us, along with Platte River Power Authority (PRPA) add more renewable energy to our power supply. And once again, it was a year that saw our electric rates stay well below state and national averages.

It's been an exciting time, built on top of a brilliant history. Working together, we can keep both kinds of light on for a long time to come.





Our mission is to deliver outstanding electric and broadband service experiences to our customer-owners while providing exceptional value and benefit to our community.

# 2014 At A Glance



## LPC Service Area

Total: 49 sq. miles  
Within City limits: 29.5 sq. miles  
Outside City limits: 19.5 sq. miles  
(Hygiene, Lyons, Apple Valley)

## Electric Customers

Total: 37,751 (1% ↑)  
Residential: 35,044  
Commercial: 2,700  
Industrial: 7

## Electric System Load

Energy: 795,248 MWh  
Winter Peak: 128,200 KW  
Summer Peak: 169,100 KW

## Broadband Customers

Residential: 244  
Commercial: 29  
In first launch area

## Electric System Growth

While the number of LPC customers has grown by almost 8% over the last decade, Longmont's 2014 energy consumption was virtually identical to 2005. In that same period, maximum demand (the highest amount of electricity required to meet customer needs during a one-hour period) fell by 3%.







### Electric Finances

Revenues: \$65 million (5% ↑)

Expenses: \$61 million (2% ↑)

### Broadband Finances

Revenues: \$ 671,000

Expenses: \$1,825,000

### LPC Utility

Debt: \$40.3 million

Reserves: \$15.7 million

### Electric Distribution System

599 miles

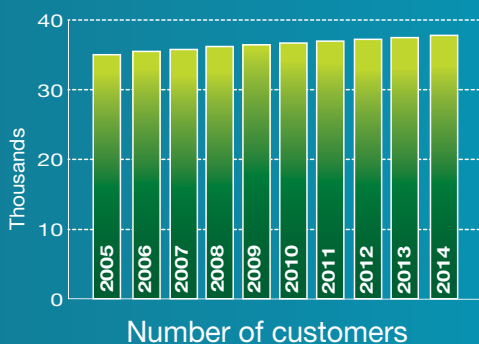
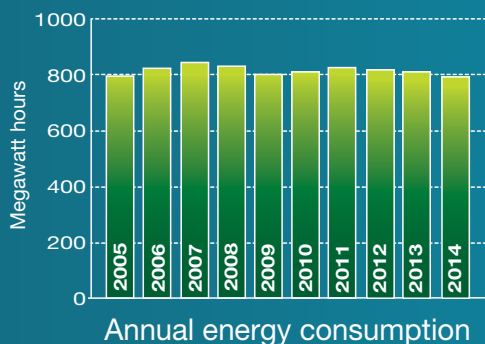
450 miles underground

46 main distribution circuits

6 substations

### Broadband Distribution System

61 miles (13 miles ↑)

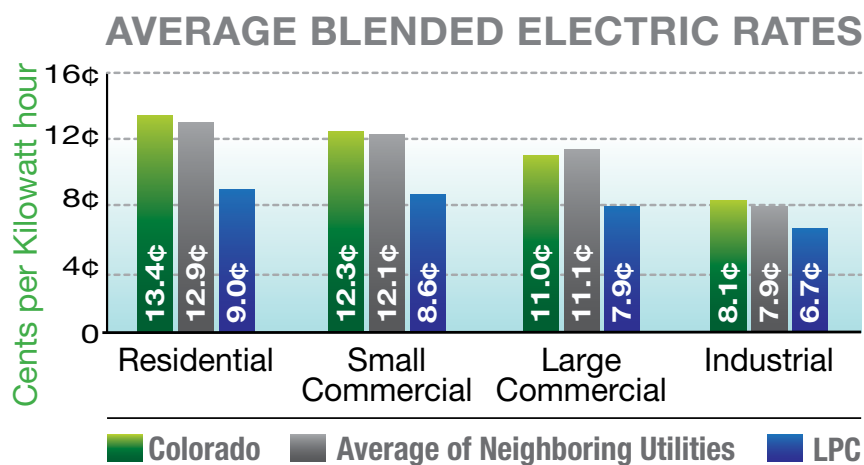




Due to LPC's low electric rates, Longmont **saved \$26.7 million** compared to the average Colorado community!

## Electric Rates

In 2014, LPC's residential, commercial and industrial customers paid significantly lower electric rates than customers in neighboring communities and throughout Colorado. In addition, Longmont's average electric rate for all customer classes was 26% less than the average national electric rate.



## Electric Capital Improvement Program (CIP)

This is an important tool for planning, building and enhancing electric system infrastructure. It enables LPC to continue to deliver the highly reliable electricity our customers have come to expect. LPC spent \$2.3 million on CIP expenses in 2014, including:

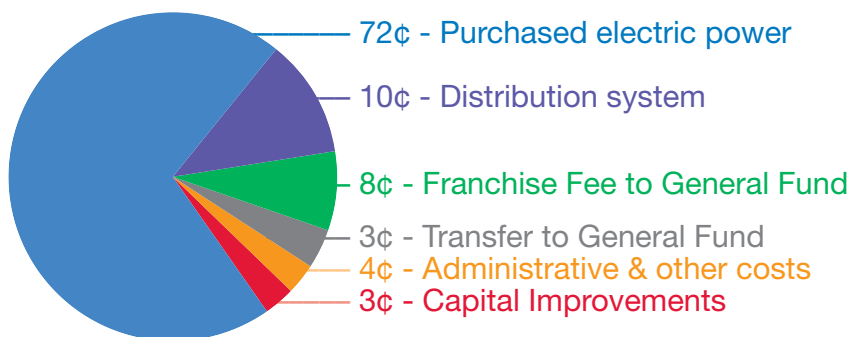
- Numerous electrical service installations, upgrades and main feeder extensions for new developments and individual customers. \$1.6 million.
- Street lighting projects focused on improved safety. \$15,000.

Low electric rates in 2014 also helped the average Longmont residential customer save \$379 annually.

## Electric Finances

Purchased power expense was 72 cents of every Electric Fund expense dollar. Although purchased power from Platte River Power Authority (PRPA) was LPC's largest expense, its rates are low compared to other wholesale power providers. The lower costs from PRPA allow LPC to maintain lower rates for its residential, commercial and industrial customers. This is a tremendous economic benefit for the businesses and residents of Longmont.

### EXPENSES PER DOLLAR



- Facility upgrades. \$465,000
- System reliability improvements. \$122,000
- Four new electric vehicle charging stations. \$92,000, of which \$52,000 was funded by grants and donations.





## Electric Vehicles

With the help of a grant from the Regional Air Quality Council, LPC installed four publicly available electric vehicle charging stations in 2014. There were a total of 272 charging events and 2,469 kWh of energy used. The station locations are:

- Longmont Museum and Cultural Center, 400 Quail Rd., (Fast Charge)
- Longmont Service Center, 1100 S. Sherman St.
- Longmont Development Service Center, 385 Kimbark St.
- Longmont Memorial Building, 700 Longs Peak Ave.

2014 saw LPC acquire one of the first two all-electric cars in the Longmont fleet, a Nissan Leaf. (The second, also a Leaf, went to Public Works & Natural Resources.) The cars were unveiled in September as part of National Drive Electric Week.

## Power Sources

Platte River Power Authority (PRPA), owned by the cities of Longmont, Loveland, Fort Collins and Estes Park, has provided reliable, low-cost and environmentally responsible electricity since 1973. In line with this, PRPA expanded its wind power portfolio in 2014 and announced plans to build a 185-acre solar farm at the Rawhide Energy Station. Once that facility is online, about 32% of PRPA power will come from non-fossil sources. Longmont is represented on the PRPA Board of Directors by the Mayor and the LPC General Manager.

PRPA had a generation capacity of 990 megawatts in 2014.

Resources include:

- Rawhide Energy Station: 280 MW coal and 388 MW natural gas
- Yampa Project: 154 MW coal
- Western Area Power Administration: 90 MW hydropower
- Spring Canyon Expansion Wind Energy Center: 60 MW wind
- Sliver Sage Windpower Project: 12 MW wind
- Medicine Bow Windpower Project: 6 MW wind



# Energy Mix

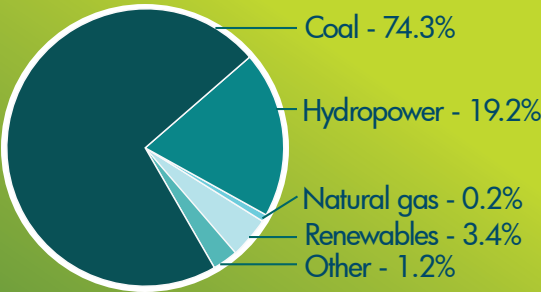
The mix of energy that Longmont Power & Communications (LPC) provides for its customers comes from a variety of sources, including coal, wind, hydropower, and natural gas. In 2014, LPC received 19.2% of its electricity from hydropower and, based on City Council policy, a minimum of 3% of electricity from other renewable sources.

In addition to these sources, approximately 552 customers purchased over 4.5 million kWh of renewable energy on a voluntary basis through the Green-e Certified Energy\* program. Electricity purchased in the voluntary program is 100% renewable, using wind as well as renewable energy certificates from wind.



\*Green e-certified energy meets specific environmental and consumer protection standards established by the Center for Resource Solutions.

2014 ENERGY MIX





## Efficiency Works

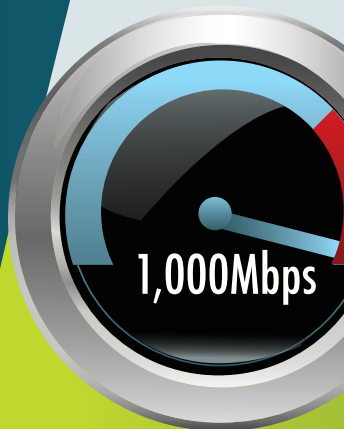
Efficiency Works™ is a collaboration of PRPA and its Colorado municipally-owned utilities and offers assistance to help you save energy and money. Through the program, customers can:

- Find resources to reduce energy use in a home or business
- Schedule an energy assessment
- Find out about incentives for energy efficient equipment
- Find available contractors to perform work

In 2014, Efficiency Works in Longmont saved 2,945 MWh of electric energy and reduced electric demand by 487 kW.

Call 877.981.1888 to learn more.

In 2014, Longmont customers saved enough electricity to power about 341 Longmont homes for a year.





- **February 2014** – Uptown Services contracted to design and engineer the new Longmont fiber-optic network.
- **March 2014** – Broadband bonds approved by voters in 2013 are formally issued. The bond issue totals \$40.3 million.
- **June 2014** – TCS Communications, LLC wins the bid to build Longmont's citywide fiber-optic system. Plans are to build in six phases, completing in 2017.
- **July 2014** – LPC launches a 10-gigabit wide area network (WAN) for the St. Vrain Valley School District. The system has 10 times the capacity of the district's old network and saves them \$100,000 per year.
- **August 2014** – Construction begins in Phase 1 – south-central Longmont.
- **October 2014** – LPC introduces its broadband system as "NextLight," so named because this is the second time Longmont has provided its own light: first through power generation and now through the glass and light of fiber optics.
- **November 2014** – NextLight is first launched to a 433-home area. Roughly 20% of the area signs up in the first week.

### 2015 NextLight Expansion Plans

- Increase the number of installation techs and hire outside contractors to speed installations and construction.
- Continue to evaluate the build-out and look for ways to accelerate the schedule.
- Continue to review the NextLight build-out for greater efficiencies, including any chances to do fiber and electrical work in the same area.

### NextLight Capital Improvement Projects

The CIP program is critical for developing the broadband network infrastructure. In 2014, LPC spent \$4.2 million beginning the citywide build-out.

## Charter Member Program

The NextLight launch included the sign-up of the system's first "Charter Members" – early residential subscribers who pay \$49.95 a month for a gigabit connection.

For more information and to see construction progress visit [www.longmontcolorado.gov/nextlight](http://www.longmontcolorado.gov/nextlight) or call 303.651.8386.



## Rebates, Reminders, and News

[www.longmontcolorado.gov/lpc](http://www.longmontcolorado.gov/lpc)

[www.longmontcolorado.gov/nextlight](http://www.longmontcolorado.gov/nextlight)

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